

BEFORE THE OIL & GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF  
AXIA ENERGY, LLC FOR AN ORDER TO POOL  
ALL INTERESTS IN AN APPROXIMATE 2160-  
ACRE UNIT LOCATED IN SECTIONS 11, 12, 13  
AND 14, TOWNSHIP 8 NORTH, RANGE 92  
WEST, 6TH P.M., IN AN UNNAMED FIELD,  
MANCOS AND NIOBRARA FORMATIONS,  
MOFFAT COUNTY, COLORADO.

Cause No. \_\_\_\_\_

Docket No. \_\_\_\_\_

APPLICATION

COMES NOW AXIA ENERGY, LLC (referred to herein as "Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 2160-acre drilling and spacing unit or the development of the Mancos and Niobrara Formations on the following described lands:

Township 8 North, Range 92 West, 6TH P.M.

Section 11: ALL

Section 12: ALL

Section 13: ALL; Less S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 14: N $\frac{1}{2}$

Moffat County, Colorado (the "Application Lands").

In support of its application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
2. Applicant owns leasehold interests in a substantial portion of the Application Lands and will be the operator in the 2160-acre unit.
3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Mancos and Niobrara Formations underlying the Application Lands.
4. Applicant has concurrently filed with this Application a spacing application ("Spacing Application") requesting that the Commission establish an approximate 2160-acre drilling and spacing unit for the Application Lands, requesting to drill and complete an appropriate number of wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from within the unit for the development of the Mancos and Niobrara Formations. Said Spacing Application is scheduled to be heard at the September 19, 2013 Commission Hearing.

5. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands consisting of the 2160-acre drilling and spacing unit for the development of the Mancos and Niobrara Formations, said order to apply to the Bulldog EDSU 11-12-13-14-892 ("Well") and the seven subsequent wells drilled in the unit.

6. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well, or any of the seven subsequent well drilled in the unit to the Mancos and Niobrara Formations on the Application Lands.

7. Applicant confirms that the nonconsenting parties' interests in the first eight wells drilled and completed in the 2160-acre drilling and spacing unit will be subject to the nonconsent penalties set forth in C.R.S. § 34-60-116(7). If Applicant elects to drill more than eight wells, Applicant will notify nonconsenting parties and give them an opportunity to participate pursuant to Rule 530.

8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the wells, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit A.

9. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and the 2160-acre drilling and spacing unit for the Mancos and Niobrara Formations should be pooled for the orderly development of the formation, including any nonconsenting interests therein.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September, 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests in the Application Lands and 2160-acre drilling and spacing unit for the development of the Mancos and Niobrara Formations.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well or any of the seven subsequent wells drilled in the unit to the Mancos and Niobrara Formations on the Application Lands.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to the first eight wells drilled to develop the Mancos and Niobrara Formations in the 2160-acre drilling and spacing unit comprising the Application Lands.

D. Providing that the nonconsenting parties' interests in the first eight wells drilled and completed in the 2160-acre drilling and spacing unit will be subject to the nonconsent penalties set forth in C.R.S. § 34-60-116(7).

E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

Dated: July \_\_\_, 2013

Respectfully submitted,

AXIA ENERGY, LLC

By: 

Jamie L. Jost  
Gregory J. Nibert Jr.  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16<sup>th</sup> Street, Suite 1100  
Denver, Colorado 80202  
(303)407-4499

Applicant's Address:

Axia Energy LLC  
ATTN: Tab McGinley  
1430 Larimer Street, Suite 400  
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER)

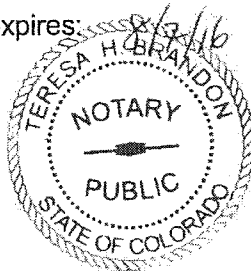
Tab McGinley, Vice President of Land, of Axia Energy, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Tab McGinley  
Vice President of Land

Subscribed and sworn to before this 18<sup>th</sup> day of July, 2013.

Witness my hand and official seal.

My commission expires:



[SEAL]

  
\_\_\_\_\_  
Notary Public

IN THE MATTER OF THE APPLICATION OF  
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 )ss.  
CITY AND COUNTY OF DENVER )

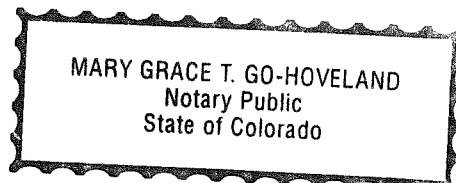
That he is the attorney for Axia Energy, LLC, that on or before July \_\_, 2013, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Gregory J. Nibert, Jr.

Subscribed and sworn to before me July 8, 2013.

My commission expires: 3/3/13

Notary Public



## EXHIBIT A

AXIA ENERGY, LLC  
1430 LARIMER STREET, SUITE 400  
DENVER, CO 80202

DEEP CREEK INVESTMENTS, A UTAH  
GENERAL PARTNERSHIP  
2400 SUNNYSIDE AVENUE  
SALT LAKE CITY, UT 84108-0000

OXY USA INC.  
5 GREENWAY PLAZA, SUITE 110  
HOUSTON, TEXAS 77046

DEMETRIO AND SONYA JEAN SALAZAR  
85 COUNTRY ROAD 1330  
LA PLATA, NM 87418

CRAIG SETTLE  
5897 SOUTH FULTON WAY  
GREENWOOD VILLAGE, CO 80111-3719

ELWIN W. AND IVA MAXINE UPDIKE,  
HUSBAND AND WIFE  
599 3RD AVENUE WEST  
CRAIG, CO 81625-3341

U.S.A. C/O BUREAU OF LAND MANAGEMENT  
2850 YOUNGFIELD STREET,  
LAKEWOOD, CO 80215

FORREST A. PHILLIPS  
26190 MIDDLE BRIDGE ROAD  
BAKER CITY, OR 97814

### **ALL UNLEASED / LEASED ROYALTY INTEREST OWNERS**

FREDERICK A. PHILLIPS III  
27764 HIGHWAY 86  
BAKER CITY, OR 97814

ANN W LAMBERT, A MARRIED WOMAN  
DEALING IN HER SOLE AND SEPARATE  
PROPERTY  
3375 CHEROKEE LANE  
PROVO, UT 84601-0000

FREDERICK A. PHILLIPS III  
27764 HIGHWAY 86  
BAKER CITY, OR 97814

BRAD A. WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

GARY L WIXOM, TRUSTEE UNDER  
UNRECORDED TRUST AGREEMENT DATED  
06/27/88  
1737 NALULU PLACE  
HONOLULU, HI 96821

DAVID R OLSEN, A MARRIED MAN DEALING  
IN HIS SOLE AND SEPARATE PROPERTY  
389 ISLE COURT  
PALM BEACH GARDENS, FL 33418

GEORGE VAUGHT JR  
PO BOX 13557  
DENVER, CO 80201-3557

DEAN R WIXOM, A MARRIED MAN DEALING  
IN HIS SOLE AND SEPARATE PROPERTY  
639 PINE ST  
MONTEREY, CA 93940

JAMES GARRETT  
8826 VISTA OAKS CIRCLE  
DALLAS, TX 75243

JANET E OLSEN, A SINGLE WOMAN  
1746 N 900 E  
OGDEN, UT 84414-3182

JEFFREY F. PHILLIPS  
42109 MILES BRIDGE ROAD  
BAKER CITY, OR 97814

JENCAR, LTD., A UTAH LIMITED PARTNERSHIP  
1777 SOUTH 2600 EAST  
SALT LAKE CITY, UT 84108-0000

JOAN R WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

JOHN AND STEVE RAFTOPOULOS  
893 STOUT STREET  
CRAIG, CO 81625

JOHN N CLAWSON FAMILY PARTNERSHIP  
PO BOX 29585  
SAN FRANCISCO, CA 94129-0585

KENT S OLSEN, A MARRIED MAN DEALING IN  
HIS SOLE AND SEPARATE PROPERTY  
7065 S PENROSE COURT  
LITTLETON, CO 80122-0000

MARVIN G. AND MAXINE RUTH UPDIKE,  
HUSBAND AND WIFE  
7261 REDWOOD HIGHWAY  
GRANTS PASS, OR 97527

MCMURRAY INVESTMENT COMPANY  
5335 ROSELEAF DRIVE  
MURRAY, UT 84123

MICHAEL JOHN BUTLER, A MARRIED MAN  
DEALING IN HIS SOLE AND SEPARATE  
PROPERTY  
1918 CO RD 106  
CRAIG, CO 81625

MICHELLE S LAVIN, A MARRIED WOMAN  
DEALING IN HER SOLE AND SEPARATE  
PROPERTY  
14631 MINOSA LANE  
TUSTIN, CA 92680-0000

MUSEUM OF NORTHWEST COLORADO  
590 YAMPA AVENUE  
CRAIG, CO 81625

NEAL W. & SHRAY O. FRIEDMAN TRS FBO  
FRIEDMAN LIVING TRUST UA 7/13/2004  
1107 S. ELISEO DR  
GREENBRAE, CA 94904

NORMAN SHEYA  
361 BAY VIEW TERRACE  
COSTA MESA, CA, 92627-1482

PAUL L. MCCULLISS  
PO BOX 3248  
LITTLETON, CO 80161-3248

PAULE S. HEWLETT, A MARRIED WOMAN  
DEALING IIN HER SOLE AND SEPARATE  
PROPERTY  
1736 NICHOLSON  
HOUSTON, TX 77008

POLLY J. JOHNSON  
4700 NEAL CREEK ROAD  
HOOD RIVER, OR 97031

REX N. WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

RICHARD H. WINDER  
9115 BONTURA DRIVE  
GRANBURY, TX, 76049

RUTH MAXINE UPDIKE  
1140 CREST DRIVE  
CRAIG, CO 81625

SAUNDRA JOAN HOLDERNESS  
60 ALTADENA DRIVE  
PUEBLO, CO 81005

SCOTT R. WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

SHARON L BELL  
PO BOX 944  
CRAIG, CO 81626

SMITH MINERALS, LTD., A COLORADO  
LIMITED PARTNERSHIP  
119 MARSHALL JOHNSON AVE S  
PORT LAVACA, TX 77979

STEWART FAMILY TRUST DTD 09/28/06  
2405 ST MARYS DRIVE  
SALT LAKE CITY, UT 84108

TRACY H. WINDER  
BOX 276  
CRAIG, CO, 81626-0000

COBANK, FCB FKA FARM CREDIT BANK OF  
WITCHITA  
PO BOX 2940  
WICHITA, KS 67201-2940